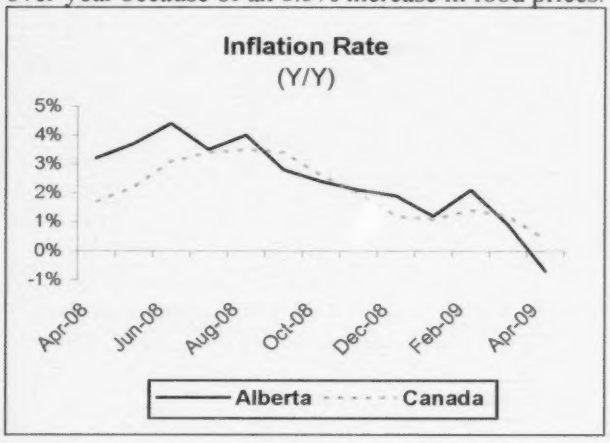
Consumer Price Index

Falling commodities drive prices lower ...

In April, Alberta had its first decline in CPI inflation since 2001, as prices fell by 0.4% from March, and 0.7% year-over-year. The slowdown was due in large part to drops in the prices of natural gas (-36.9%), electricity (-16.0%), and gasoline (-26.4%) from their elevated 2008 levels. However, rising food prices show that the province is unlikely to experience deflation, as year-over-year declines in energy recede after July. Alberta's price drop was the largest slowdown in Canada, followed by Ontario and Saskatchewan, which saw inflation drop by 0.4% from March. Nationally, prices rose by 0.4% year-over-year because of an 8.3% increase in food prices.



Retail Sales

Sales keep on slipping...

Retail sales in Alberta fell by 2.4% from February, and by 13.8% year-over-year. March's numbers marked the largest sales decline among the provinces, and the lowest level of retail trade in the province since 2006. However, Alberta's per capita spending was still the highest in the country at $418 per person. In contrast, Canadian retail sales increased for the third consecutive month, by 0.4% in March, but were still down 4.9% from March 2008. The main contributor to the rise was higher sales of new cars, which increased by 3.6%. Sales at food and beverage stores also rose for the third month in a row, up 0.9%.

↑	**Canadian Dollar (US¢/CS)**	
	May 22, 2009	89.02
	May 15, 2009	85.06
	2009-10 YTD	83.48
↑	**WTI Oil US$/bbl**	
	May 21, 2009	$ 61.05
	May 14, 2009	$ 58.62
	2009-10 YTD	$ 53.17
↓	**Nymex Natural Gas CS/MMBtu ***	
	Near-month Contract	
	May 22, 2009	$ 4.04
	May 15, 2009	$ 4.89

* Estimate based on Nymex Futures Market Price

Wholesale Trade

Alberta retailers cut purchases...

Retailers in Alberta continued to decrease their wholesale purchases in March. Wholesale trade was down 3.5% (seasonally adjusted) from February, and 4.2% year-over-year, reflecting ongoing economic uncertainly among retailers. According to Statistics Canada, the main causes of the drop were declining sales in machinery, electronic equipment, and 'other products'. Canadian wholesale trade also continued to fall, down 1.1% from February. In spite of lower wholesale orders, lower sales increased national inventory-to-sales ratios to 1.45, the highest level since 1993.

International Economies

U.K. credit rating could fall...

The United Kingdom may lose its AAA credit rating for the first time ever as its government finances continue to crumble, and as Britain's debt approaches 100 percent of GDP. As a result of similar concerns in the United States, the U.S. dollar slipped against most major currencies, with the Canadian dollar gaining nearly 4 cents this week.

Bank of Japan revises outlook...

Japan reported a 15.2% annualized decline in first-quarter GDP, the worst since reporting began in 1955. Nonetheless, Japan's central bank raised its assesment of the economy, saying that exports and industrial production are beginning to stabilize.

Alberta — CURRENT ECONOMIC INDICATORS

May 22, 2009

Overall Economy	2007	2008	2009YTD*	Nov	Dec	Jan	Feb	Mar	Apr
Real GDP (in 2002 $billions)	187.5	187.0	--	--	--	--	--	--	--
% change	3.1	-0.2	--	--	--	--	--	--	--
Nominal GDP ($ billions)	258.9	291.7	--	--	--	--	--	--	--
% change	8.1	12.6	--	--	--	--	--	--	--
Population[1] (000's) (level)	3,511	3,585	3,632	--	--	3,632	--	--	--
% change	2.6	2.1	2.4	--	--	2.6	--	--	--
Net Interprovincial Migraton[1] (level)	33,809	10,010	11,125	--	--	6,198	--	--	--
Net International Migration[1] (level)	16,136	19,283	9,004	--	--	4,097	--	--	--
Net Non-permanent Residents[1] (level)	13,539	17,890	12,931	--	--	4,870	--	--	--
Labour Market									
Employment (000's)	1,959	2,013	2,002	2,032	2,023	2,026	2,002	1,987	1,993
% change	4.7	2.8	-0.1	3.2	1.5	1.2	0.2	-1.0	-0.9
Unemployment Rate (%)	3.5	3.6	5.4	3.5	4.2	4.4	5.4	5.8	6.0
Average Hourly Wage Rate	6.0	5.7	4.6	5.0	4.1	6.2	4.5	3.6	--
Average Weekly Earnings[2]	5.8	6.0	6.2	7.6	6.3	7.0	5.4	--	--
Labour Income[3]	11.3	8.4	--	7.3	6.8	--	--	--	--
Price Indices									
Consumer Price Index NEW!	5.0	3.1	0.9	2.1	1.9	1.2	2.1	0.9	-0.7
Excluding food and energy	4.9	1.9	1.5	1.8	1.7	1.5	2.0	1.4	1.1
Non-Res. Const. Cost Index[4] (quarterly)	17.3	13.2	-1.0	--	8.8 (Q4)	--	--	-1.0(Q1)	--
Farm Product Price Index	14.3	11.1	-7.1	-0.9	-4.7	-6.2	-7.9	--	--
Crops	41.4	26.3	-24.3	-14.9	-20.7	-22.8	-25.7	--	--
Livestock	0.7	2.1	13.0	17.7	13.5	13.7	12.4	--	--
Household Sector									
Housing Starts (SAAR, 000's)	48.1	29.0	13.2	20.5	20.0	15.7	12.6	11.9	12.4
% change	-2.1	-39.7	-65.2	-52.7	-48.3	-53.0	-59.4	-75.1	4.2
New Housing Price Index	22.5	0.7	-9.7	-5.1	-6.1	-8.4	-9.6	-10.5	--
Edmonton	32.1	1.0	-12.1	-7.9	-8.2	-10.4	-12.2	-12.3	--
Calgary	16.2	0.6	-7.3	-2.5	-4.3	-6.5	-7.1	-8.7	--
MLS Average Resale Prices	24.3	-1.4	-9.1	-4.2	-7.4	-10.0	-9.2	-10.4	-6.8
Edmonton	34.3	-2.0	-7.7	-2.0	-5.7	-4.5	-8.7	-10.1	-7.4
Calgary	18.7	-2.9	-10.9	-6.0	-9.4	-11.4	-10.8	-11.3	-10.1
Retail Sales NEW!	9.3	-0.1	-11.3	-5.6	-7.7	-6.4	-13.4	-13.8	--
New Motor Vehicle Sales	3.3	-7.3	-30.1	-11.6	-23.6	-22.5	-35.4	-31.9	--
Business Sector									
Public and Private Investment[5]	9.1	3.6	-14.0	--	--	--	--	--	--
Mining and oil and gas[5]	0.3	-1.4	-28.2	--	--	--	--	--	--
Rigs Drilling	-35.2	-2.1	-43.8	3.5	-10.2	-24.4	-43.9	-60.8	-42.0
Goods Exports (customs based)	5.3	33.2	-28.7	16.4	-7.9	-27.3	-30.2	--	--
Energy	4.4	40.9	-33.2	18.0	-7.9	-31.5	-35.1	--	--
Agriculture	9.8	28.6	0.0	35.8	16.8	-3.4	3.6	--	--
Total Farm Cash Receipts (quarterly)	11.9	15.2	--	--	8.5 (Q4)	--	--	--	--
Manufacturing Shipments	1.9	6.9	-13.9	-4.6	-8.2	-13.4	-14.6	-13.8	--
Wholesale Trade NEW!	5.0	10.9	-2.1	5.9	13.6	4.5	-6.1	-4.2	--
Building Permits	13.4	-16.5	-51.5	-14.7	-29.1	-52.5	-67.5	-29.8	--
Residential	10.7	-31.5	-58.9	-42.2	-37.2	-67.0	-72.5	30.5	--
Non-residential	17.1	3.7	-44.2	24.5	-21.4	-40.2	-62.9	--	--

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* YTD – year-to-date represents the change since the beginning of the year compared to the same period in the previous year.

[1] Quarterly; annual numbers are presented on a census year basis (July 1 - June 30). The January population estimate is also the 2009 year-to-date value.

[2] The average weekly earnings series was extensively revised on March 31, 2009 and is no longer comparable with numbers in previous Bulletins

[3] Total income earning in Alberta including wages and salaries, and supplementary income.

[4] Average of Calgary and Edmonton.

[5] 2009 based on initial investment intentions, 2008 preliminary actuals, and 2007 actuals

Sources: All data is from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canadian Real Estate Association) and Rigs Drilling (Canadian Association of Oilwell Drilling Contractors).

Alberta

CURRENT ECONOMIC INDICATORS, BY PROVINCE

		Canada	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.
Conference Board Forecast (Winter 2009)												
Real GDP Growth												
2007 (actuals, Statistics Canada)		**2.7%**	9.1%	2.4%	1.7%	1.7%	2.7%	2.3%	3.3%	2.5%	**3.1%**	3.0%
2008 (actuals, Statistics Canada)		***0.5%***	-0.1%	0.9%	2.0%	-0.0%	1.0%	-0.4%	2.4%	4.4%	**-0.2%**	-0.3%
2009		***-0.5%***	-2.6%	0.6%	-0.3%	0.2%	-0.4%	-1.2%	1.0%	1.6%	**-0.5%**	-0.1%
Population (As of January 1, 2009)												
Population		**33,504,680**	508,990	140,402	939,531	748,319	7,782,561	12,986,857	1,213,815	1,023,810	**3,632,483**	4,419,974
Annual Growth Rate[a]		***1.21%***	0.24%	1.25%	0.25%	0.23%	0.86%	1.05%	1.11%	1.50%	**2.58%**	1.70%
Net Interprovincial Migration												
2008 Census Year (July 1, 2007 to June 30, 2008)			1,299	42	-117	-325	-12,399	-16,522	-503	8,067	**10,010**	11,458
4th Quarter (October 1, 2008 to December 31, 2008)			292	-503	108	264	-2,139	-6,517	249	949	**6,198**	1,453
Employment												
Level Change (000s)[b]		**-270.4**	-8.7	-1.8	-3.5	-1.5	-10.9	-160.9	-8.2	9.7	**-18.2**	-66.4
Percent Change[b]		***-1.6%***	-4.1%	-2.7%	-0.8%	-0.4%	-0.3%	-2.4%	-1.4%	1.9%	**-0.9%**	-2.9%
Unemployment Rate, 2009 avg (SA)		**7.7**	14.7	12.0	8.9	9.0	8.1	8.5	4.8	4.6	**5.4**	6.9
Participation Rate, 2009 avg (SA)		***67.4***	59.1	67.5	64.5	64.8	65.3	67.6	69.3	70.4	**74.6**	65.8
Average Weekly Earnings												
February 2009		**820.95**	785.86	674.74	727.89	736.16	752.77	845.19	768.25	803.63	**973.61**	786.99
Y/Y Percent Increase[c]		***1.9%***	4.5%	2.6%	3.3%	2.1%	2.2%	1.0%	2.3%	3.5%	**5.4%**	-0.7%
2009 Wage Settlements											**1.5%**	
CPI Inflation												
April Annual	NEW!	**0.4%**	0.4%	-0.3%	-0.4%	-0.3%	0.3%	0.6%	0.9%	0.6%	**-0.7%**	0.3%
Excluding Shelter		**0.4%**	0.3%	1.2%	-0.4%	-0.3%	0.1%	0.5%	0.0%	-0.3%	**0.3%**	0.8%
Housing Starts (000s)												
SAAR April 2009		**117.4**	2.8	0.5	2.5	4.2	40.9	36.3	3.1	2.9	**12.4**	11.7
Retail Sales												
Percent Change[d]	NEW!	**-4.9%**	3.8%	-1.1%	-4.7%	0.2%	0.7%	-2.7%	-4.5%	-3.3%	**-13.8%**	-12.3%
2009 YTD Retail Sales Growth		**-6.0%**	-0.8%	-2.8%	-4.8%	-2.2%	-3.0%	-5.0%	-4.5%	-2.9%	**-11.3%**	-10.6%
Manufacturing Shipments												
Percent Change[d]		**-14.5%**	-27.1%	9.1%	-12.9%	-25.8%	-15.4%	-14.5%	2.7%	-4.4%	**-13.8%**	-17.1%

a. Over the past 12 months
b. April 2009 Y/Y change, unadjusted for seasonal effects
c. Updated to January 2009
d. March 2009 Y/Y change, unadjusted for seasonal effects
SA-Seasonally Adjusted
Source: Statistics Canada, Canada Mortgage and Housing Corporation and Conference Board of Canada

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